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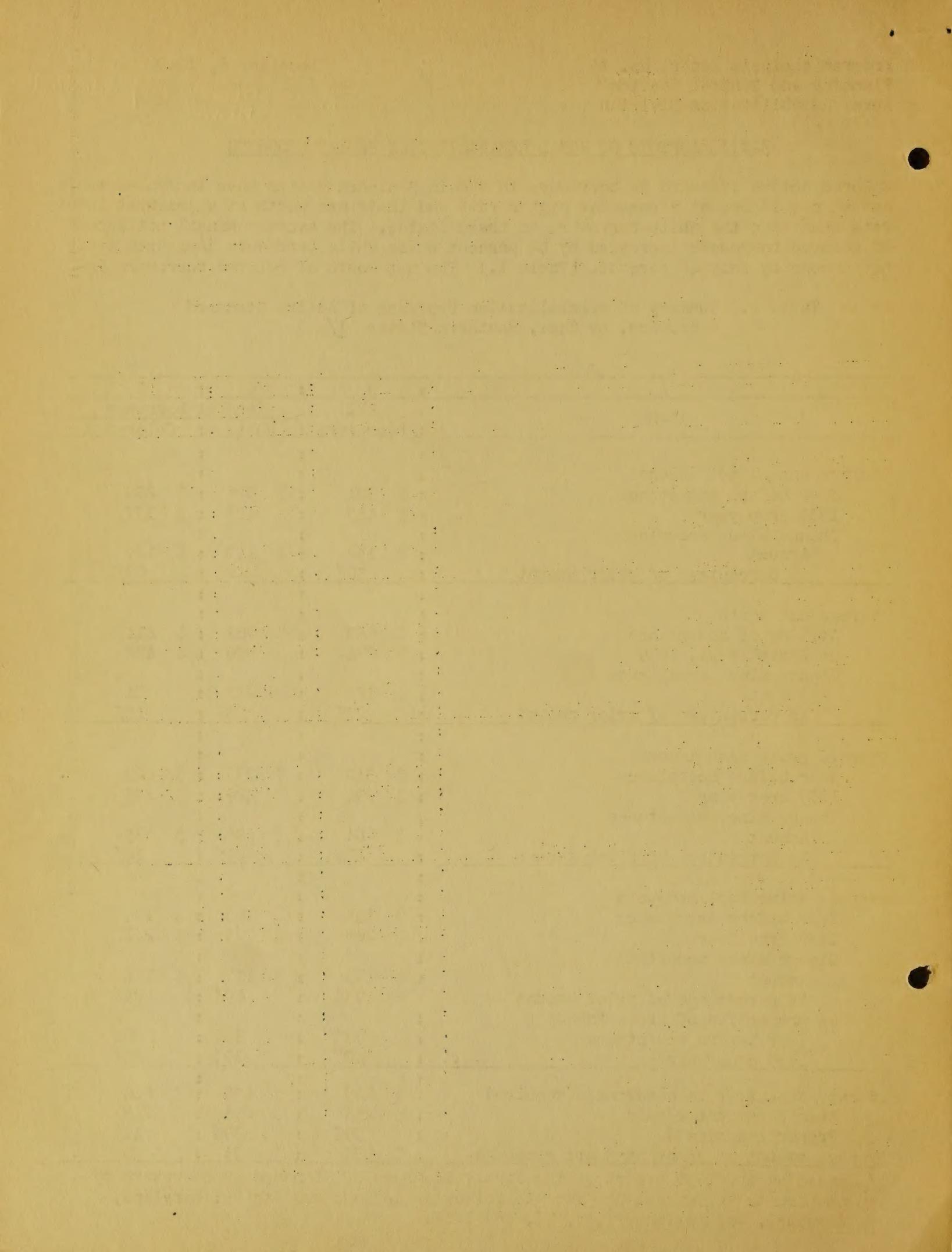
RACIAL ASPECTS OF RURAL REHABILITATION FAMILY PROGRESS

Colored active standard RR borrowers in the 16 Southern States have increased their annual net income at a somewhat higher rate and their net worth at a somewhat lower rate than have the white borrowers in these States. The average annual net income of colored borrowers increased by 62 percent while white borrowers increased their net income by only 48 percent. (Table 1.) The net worth of colored borrowers in-

Table 1. Summary of Rehabilitation Progress of Active Standard Borrowers, by Race, Southern States 1/

A Item	B		C		D	
	All borrowers		Race of borrower			
			White	Colored		
Average annual net income						
Year before acceptance	\$ 301		\$ 326		\$ 208	
1939 crop year	\$ 453		\$ 483		\$ 337	
Change since acceptance						
Amount	\$ 152		\$ 157		\$ 129	
As percentage of prior amount	50%		48%		62%	
Average net worth						
At time of acceptance	\$ 689		\$ 762		\$ 414	
On December 31, 1939	\$ 874		\$ 976		\$ 488	
Change since acceptance						
Amount	\$ 185		\$ 214		\$ 74	
As percentage of prior amount	27%		28%		18%	
Average gross cash income						
Year before acceptance	\$ 310		\$ 333		\$ 223	
1939 crop year	\$ 394		\$ 429		\$ 258	
Change since acceptance						
Amount	\$ 84		\$ 96		\$ 35	
As percentage of prior amount	27%		29%		16%	
Average value home products						
Year before acceptance	\$ 155		\$ 163		\$ 124	
1939 crop year	\$ 268		\$ 275		\$ 242	
Change since acceptance						
Amount	\$ 113		\$ 112		\$ 118	
As percentage of prior amount	73%		69%		95%	
As proportion of gross income						
Year before acceptance	33%		33%		36%	
1939 crop year	40%		39%		48%	
Average amount of loan advances received	\$ 648		\$ 659		\$ 606	
Average amount repaid	\$ 254		\$ 255		\$ 248	
Proportion repaid	39%		39%		41%	
Average amount of grant payments received	\$ 34		\$ 35		\$ 29	

1/ Based on the 1939 Report of the Family Progress of Standard RR Borrowers by the County RR Supervisors for the following Regions and States: Maryland, Missouri, and Regions IV, V, VI, and VIII.



creased by 18 percent compared with a 28 percent increase for white borrowers. These figures indicate colored borrowers are making relatively more rapid strides toward ultimate rehabilitation than are white borrowers. Moreover, these more rapid strides in economic progress are not as yet reflected in a higher material net worth. This is true because the increased income of colored borrowers has been absorbed in improved family living. The increased investment of colored borrowers is reflected in the welfare of their families rather than in physical assets. With a before acceptance net income of only \$208, the first claimant on increased income has been, as it should be, a raised level of living.

This interpretation is further substantiated by the fact that \$118 of the \$129 increase in the net income of colored borrowers represents an increase in the value of farm products produced for home use. The average gross cash income of colored borrowers increased only \$35 or 16 percent while that of white borrowers increased \$96 or 29 percent. (Table I) The average value of home use products of colored borrowers increased by 95 percent as compared to a 69 percent increase for white borrowers.

That colored borrowers are making more rapid strides toward rehabilitation is also indicated by the data on the amounts of loan advances, repayments, and grants received. Colored borrowers were advanced an average of \$606 per borrower, of this they have repaid \$248 or 41 percent. The average amount of loan advances to white borrowers was \$659, or slightly more than for colored borrowers, of this amount white borrowers have repaid \$255 or 39 percent, or a slightly smaller proportion than has been repaid by colored borrowers. During the same period, colored borrowers received \$29 in grant payments while white borrowers received an average of \$35 in grants, or more than one-fifth again as much as did colored borrowers.

Changes in Annual Net Income of Colored and of White Borrowers

Both white and colored active standard borrowers in the 16 Southern States on the average increased their annual net income from the year before acceptance to 1939. (Table II) The proportional increase was greater for colored borrowers than for

Table II. Average Annual Net Income of White and Colored Active Standard Rural Rehabilitation Borrowers in Year before Acceptance on Program, in 1939 Crop Year, and Change, for the Southern States, by Race, by State and Region 1/

A	:	B	:	C	:	D	:	E	:	F	:	G	:	H	:	I
Region	:	Year	:	1939	:							Change in annual net income				
and	:	before	:	crop	:							Amount	:	Percentage of net income		
state	:	acceptance	:	year	:							year before acceptance	:			
	:	White	:	Colored	:	White	:	Colored	:	White	:	Colored	:	White	:	Colored
	:	Dollars	:	Dollars	:	Dollars	:	Dollars	:	Dollars	:	Dollars	:	Percent	:	Percent
Southern	:		:		:		:		:							
States	:	326	:	208	:	483	:	337	:	157	:	129	:	48	:	62
Maryland	:	532	:	476	:	760	:	475	:	228	:	-1	:	43	:	2/
Missouri	:	343	:	301	:	536	:	465	:	193	:	164	:	56	:	54
	:		:		:		:		:							
Region IV	:	497	:	366	:	639	:	498	:	142	:	133	:	29	:	36
Kentucky	:	534	:	505	:	655	:	624	:	121	:	119	:	23	:	24
N. Carolina	:	521	:	392	:	667	:	534	:	146	:	142	:	28	:	36
Tennessee	:	396	:	277	:	578	:	411	:	182	:	134	:	46	:	48
Virginia	:	406	:	316	:	571	:	434	:	165	:	118	:	41	:	37
W. Virginia	:	581	:	568	:	693	:	727	:	112	:	159	:	19	:	28

Table II (Continued)

A	:	B	:	C	:	D	:	E	:	F	:	G	:	H	:	I
Region	:	Year	:	1939	:	Change in annual net income										
and	:	before	:	crop	:	Amount					Percentage of net income					
state	:	acceptance	:	year	:	year before acceptance					year before acceptance					
	:	White	:	Colored	:	White	:	Colored	:	White	:	Colored	:	White	:	Colored
		Dollars		Dollars		Dollars		Dollars		Dollars		Dollars		Percent		Percent
Region V	:	194	:	130	:	291	:	231	:	96	:	100	:	49	:	77
Alabama	:	177	:	120	:	211	:	129	:	34	:	9	:	19	:	8
Florida	:	285	:	189	:	310	:	189	:	25	:	0	:	9	:	0
Georgia	:	165	:	136	:	290	:	256	:	125	:	120	:	76	:	88
S. Carolina	:	176	:	120	:	452	:	365	:	276	:	245	:	157	:	204
	:		:		:		:		:		:		:		:	
Region VI	:	278	:	250	:	475	:	430	:	197	:	179	:	71	:	72
Arkansas	:	264	:	215	:	498	:	441	:	234	:	226	:	89	:	105
Louisiana	:	308	:	254	:	530	:	458	:	222	:	204	:	72	:	80
Mississippi	:	277	:	262	:	417	:	401	:	140	:	140	:	51	:	53
	:		:		:		:		:		:		:		:	
Region VIII	:	289	:	178	:	495	:	314	:	205	:	136	:	71	:	76
Oklahoma	:	303	:	207	:	516	:	386	:	213	:	178	:	70	:	86
Texas	:	277	:	171	:	476	:	296	:	198	:	125	:	71	:	73
	:		:		:		:		:		:		:		:	

1/ As reported by FSA County Supervisors in connection with their 1939 Report of the Rehabilitation Progress of Standard Borrowers.

2/ Less than 1%

the white borrowers, 62 percent as compared with 48 percent; white borrowers had a greater actual average amount of increase, \$157 for white and \$129 for colored borrowers. In each Region and in every state except Maryland, Missouri, Virginia, Alabama, and Florida, colored borrowers showed a larger proportional increase in net income. Actual increases, on the other hand, were greater, on the average, for white than for colored borrowers, in every Region, except Region V, and in every state, except West Virginia. In Maryland, colored borrowers lost ground, while colored borrowers in Florida made no progress; and in Alabama the average increase in net income of colored borrowers was only 8 percent. Colored borrowers in South Carolina increased their average net income from \$120 in the year before acceptance to \$365 in 1939, an increase of 204 percent. White borrowers accepted on the RR program universally had greater net incomes at the time of acceptance than did the colored borrowers. In fact the average before acceptance net income of white borrowers was only slightly less than the 1939 net income of colored borrowers. The trouble spots appear to be (1) the colored borrowers in Maryland, who with a before acceptance net income of \$476 actually lost ground by a little, (2) the colored borrowers in Alabama and Florida where they made little or no advance in net income.

Changes in Net Worth of White and Colored Standard Borrowers

Increased net incomes of white borrowers have resulted in increased net worth to a more pronounced degree than have the increased net incomes of colored borrowers. White borrowers in the 16 Southern States had larger proportional and actual increase in net worth than did colored borrowers. White borrowers had nearly twice as great

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1900-1901. The following table of numbers of birds is given according to the
annual statement of the Royal Society for the Protection of Birds.

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annual statement of the Royal Society for the Protection of Birds.

Table III. Average Net Worth of White and Colored Active Standard Rural Rehabilitation Borrowers at Time before Acceptance and before Voluntary Debt Adjustment, and December, 1939, and Change, for the Southern States, by Race, by State and Region 1/

A	B	C	D	E	F	G	H	I
Region and state	Year before acceptance	White	Colored	1939 crop year	Change in annual net worth	Amount	Percentage of net worth	year before acceptance
		Dollars	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Southern States		762	414	976	488	214	74	28
Maryland	1,541	654	1,700	596	159	-58	10	-9
Missouri	593	528	894	865	301	337	51	64
Region IV	1,224	632	1,525	783	301	151	25	24
Kentucky	1,345	1,118	1,689	1,374	344	256	26	23
N. Carolina	853	585	1,134	729	281	145	33	25
Tennessee	1,039	677	1,357	867	318	190	31	28
Virginia	1,150	607	1,415	746	266	139	23	23
West Virginia	1,716	1,875	2,000	2,020	284	146	17	8
Region V	546	321	632	336	85	15	16	5
Alabama	438	240	481	166	43	-73	10	-30
Florida	1,051	713	1,082	660	31	-53	3	-7
Georgia	365	275	490	389	125	114	34	41
S. Carolina	522	357	683	428	161	72	31	20
Region VI	395	356	615	496	220	140	56	39
Arkansas	337	276	564	426	228	150	68	54
Louisiana	519	406	750	533	230	127	44	31
Mississippi	389	347	595	494	206	147	53	42
Region VIII	775	522	1,039	615	264	93	34	18
Oklahoma	575	434	858	498	283	64	49	15
Texas	951	544	1,199	644	247	100	26	18

1/ As reported by FSA County Supervisors in connection with their 1939 Report of the Rehabilitation Progress of Standard Borrowers.

a beginning net worth than did colored borrowers; and the actual increase for white borrowers was nearly three times as great. The proportional increase for white borrowers was 28 percent; for colored borrowers only 18 percent. (Table III) This general condition was true in every Southern Region and in every State, except Missouri where there was a 64 percent increase in the net worth of colored borrowers, and Georgia where colored borrowers had a 41 percent increase in net worth as compared with a 34 percent increase for white borrowers.

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In no Region, as a whole, was there an average decrease in net worth for either colored or white standard borrowers. However, in Maryland, Alabama, and Florida colored borrowers had decreases in net worth. It will be recalled that these are the same States where colored borrowers showed small or no increase in average annual net income, while white borrowers in the same States showed increases in net worth as well as in net income.

Increased net income of low-income farm families is not reflected in increased net worth to the same proportion as the income increases. The lower the before acceptance net income the smaller the proportion of the increased income that will be reflected in increased net worth because a larger part of the increased income is, and should be, used to provide a more satisfactory level of living for the family. For the same reason, however, decreases in net income bring about a proportionally larger decrease in net worth because some of the previous assets must be utilized for family living either by direct consumption, by sale of the assets to obtain funds to purchase subsistence goods, or by obtaining credit for the purchase of consumption goods.

Increased Production of Farm Products for Home-Use

Increased production of farm products for home-use has been a major factor in increased annual family incomes in the 16 Southern States both for white and for colored borrowers. (Table IV) The average gross cash income of colored standard borrowers increased only \$35 while the average value of home-use products increased \$118 (Table I). For white borrowers the figures are \$96 average increase in gross cash income and a \$112 increase in the average value of home-use products. Almost two-thirds of the increased net income of white borrowers and 91 percent of the increased net income of colored borrowers was represented by increased farm production for home-use.

The fact that production for home-use has been of greater significance in family progress than has increased production for sale is indicated by the increase in the proportion of total gross income represented by the value of home-use products. In the year before acceptance the value of home-use products was 33 percent of total gross income for white borrowers; in 1939 this proportion was 39 percent. The tendency for the value of home-use products to increase by a greater amount as well as at a greater rate than the total gross income is more pronounced among colored borrowers than among white.

Table IV. Value of Goods Produced for Home-Use and that Value as Percentage of Total Gross Income of White and Colored Active Standard Rural Rehabilitation Borrowers in the Southern States, Year before Acceptance and 1939, by State and Region 1/

A	B	C	D	E	F	G	H	I
Race of borrower								
White					Colored			
Year before acceptance					Year before acceptance			
Region								
and	: As pro-							
state	: Value of:portion							
	: home-use:of total							
	: goods : gross							
	: income :							
	: Dollars	: Percent	: Dollars	: Percent	: Dollars	: Percent	: Dollars	: Percent
	:	:	:	:	:	:	:	:
Southern	:	:	:	:	:	:	:	
States	: 163	: 33	: 275	: 39	: 124	: 36	: 242	: 48
Md.	: 237	: 20	: 291	: 18	: 155	: 22	: 274	: 37
Mo.	: 117	: 23	: 217	: 28	: 90	: 18	: 171	: 25
	:	:	:	:	:	:	:	
Reg. IV	: 263	: 40	: 344	: 42	: 228	: 41	: 315	: 46
Ky.	: 270	: 41	: 340	: 43	: 238	: 38	: 354	: 47
N. C.	: 306	: 43	: 398	: 44	: 258	: 42	: 341	: 46
Tenn.	: 219	: 42	: 301	: 42	: 170	: 41	: 251	: 43
Va.	: 214	: 37	: 329	: 41	: 188	: 41	: 278	: 47
W. Va.	: 282	: 37	: 336	: 38	: 271	: 39	: 374	: 42
	:	:	:	:	:	:	:	
Reg. V	: 114	: 29	: 243	: 44	: 90	: 32	: 213	: 50
Ala.	: 103	: 31	: 195	: 50	: 80	: 34	: 158	: 54
Fla.	: 108	: 21	: 175	: 28	: 87	: 27	: 136	: 41
Ga.	: 126	: 34	: 281	: 48	: 101	: 32	: 250	: 50
S. C.	: 118	: 28	: 351	: 45	: 94	: 30	: 281	: 48
	:	:	:	:	:	:	:	
Reg. VI	: 138	: 38	: 284	: 48	: 127	: 37	: 272	: 51
Ark.	: 118	: 35	: 274	: 46	: 86	: 29	: 241	: 45
La.	: 153	: 36	: 302	: 45	: 131	: 37	: 287	: 50
Miss.	: 154	: 41	: 283	: 53	: 139	: 38	: 272	: 54
	:	:	:	:	:	:	:	
Reg. VIII	: 131	: 26	: 244	: 31	: 100	: 35	: 182	: 43
Okla.	: 133	: 28	: 269	: 35	: 110	: 36	: 219	: 44
Tex.	: 130	: 24	: 222	: 27	: 97	: 35	: 173	: 43
	:	:	:	:	:	:	:	

1/ As reported by FSA County Supervisors in connection with their 1939 Report of the Rehabilitation Progress of Standard Borrowers.

Among colored borrowers the average proportion of gross income represented by the value of home-use products increased from 36 percent in the year before acceptance to 48 percent in 1939.



Increased farm production for home-use has been phenomenal in Region V, VI, and VIII. The proportion of total gross income represented by home-use products for both colored and white borrowers increased from roughly one-third in the year before acceptance to roughly one-half in 1939. This was true in nearly every state and for both races, except in Florida and Texas where there was only a small increase shown by white borrowers in the proportion of gross income represented by the value of farm produced goods for home-use. With these two exceptions, Florida and Texas, there appears to be little difference between the races in this regard, although colored borrowers in the States of Region IV showed universally a greater proportional increase than did white borrowers. With but few exceptions, the proportion of gross income represented by home-use products was higher in 1939 for colored borrowers than for white standard borrowers. This resulted from the fact that colored borrowers increased their production for home-use at a faster rate and their production for sale at a lower rate than did white borrowers.

Loan Advances, Repayments, and Grants

Colored active standard borrowers in the 16 Southern States received a smaller amount of loan advances, made a higher percentage of repayments, and received a less amount of grants than have the white borrowers in the same States (Tables I and V). Colored borrowers in these States have repaid 41 percent of an average of \$606 in loans during the period in which they received an average per family of \$29 in grants. White borrowers have repaid 39 percent of an average advance of \$659; during the same years they have received an average of \$35 per family in grants. Only in Region V, of the four Regions, did the repayment ratio of white borrowers (35 percent) exceed that of colored borrowers (32 percent). In every state of Region V, and in Maryland, North Carolina, West Virginia, and Mississippi the ratio of repayments of white exceeded that of colored borrowers.

Table V. Average Amount of Loan Advances and Grant Payments Received and Amount and Proportion Repaid of Loan Advances by White and by Colored Active Standard Rural Rehabilitation Borrowers from Acceptance on Program to 1939, in Selected States and Regions 1/

Table V (Continued)

A	B	C	D	E	F	G	H	I
Region	: Av. amt.:		: Av. amt.:	: Av. amt.:				: Av. amt.
and	: of loan :	Average	: of grant:	: of loan :	Average			: of grant
state	: advances:	repaid	: payments:	: advances:	repaid			: payments
	: received:		: received:	: received:				: received
	: Dollars	: Dollars	: Percent	: Dollars	: Dollars	: Dollars	: Percent	: Dollars
	:	:	:	:	:	:	:	:
Region V	: 696	: 247	: 35	: 37	: 622	: 197	: 32	: 36
Ala.	: 629	: 216	: 34	: 41	: 598	: 184	: 31	: 34
Fla.	: 624	: 186	: 30	: 30	: 465	: 130	: 28	: 27
Ga.	: 706	: 256	: 36	: 33	: 605	: 173	: 29	: 31
S. C.	: 937	: 394	: 42	: 50	: 721	: 258	: 36	: 48
	:	:	:	:	:	:	:	:
Region VI	: 670	: 304	: 45	: 24	: 631	: 298	: 47	: 21
Ark.	: 666	: 276	: 41	: 21	: 656	: 281	: 43	: 23
La.	: 601	: 321	: 53	: 18	: 620	: 326	: 53	: 16
Miss.	: 714	: 326	: 46	: 31	: 630	: 281	: 45	: 24
	:	:	:	:	:	:	:	:
Region VIII	: 829	: 318	: 38	: 52	: 542	: 247	: 46	: 37
Okla.	: 799	: 244	: 31	: 84	: 571	: 202	: 35	: 94
Tex.	: 856	: 384	: 45	: 24	: 535	: 258	: 48	: 23
	:	:	:	:	:	:	:	:

1/ As reported by FSA County Supervisors in connection with their 1939 Report of the Rehabilitation Progress of Standard Borrowers.

In Region IV, and in no other Region as a whole, the average amount of loan advances received by colored borrowers was greater than that received by white borrowers. Only in Kentucky, North Carolina, Tennessee, Virginia and Louisiana did colored borrowers receive a larger average amount of loan advances than white borrowers. With but few exceptions, the difference between the races in amounts of loan advances received was not great.

Colored active standard families almost universally received a smaller average amount of grants than did white borrowers. These figures indicate that the grant policy of these Southern Regions is "shot through" with gross discrimination against colored borrowers. The average before acceptance net income of white borrowers was \$326, or 57 percent greater than, the \$208 before acceptance net income of colored borrowers. White borrowers, however, received 20% more grant money per family than did the colored borrowers. Region V appears to be the least offender in this regard. In Region VIII, however, colored borrowers with a before acceptance net income of only \$178 received an average per family of \$37 in grants, while the white borrowers with average before acceptance net incomes of \$289 received an average of \$52 in grants per family. In Mississippi white borrowers received an average of \$31 per family in grants while colored borrowers received \$24 per family. Only in North Carolina, Tennessee, and Arkansas, did colored borrowers receive a larger amount of grants per family than did white borrowers.

